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CIA/CPAS---NID-88-199IX---

## National Intelligence Daily

Thursday  
25 August 1988

RELEASE IN PART  
EXEMPTIONS: (b)(1)  
(b)(3)  
DATE: SEP 2001



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CPAS NID 88-199IX

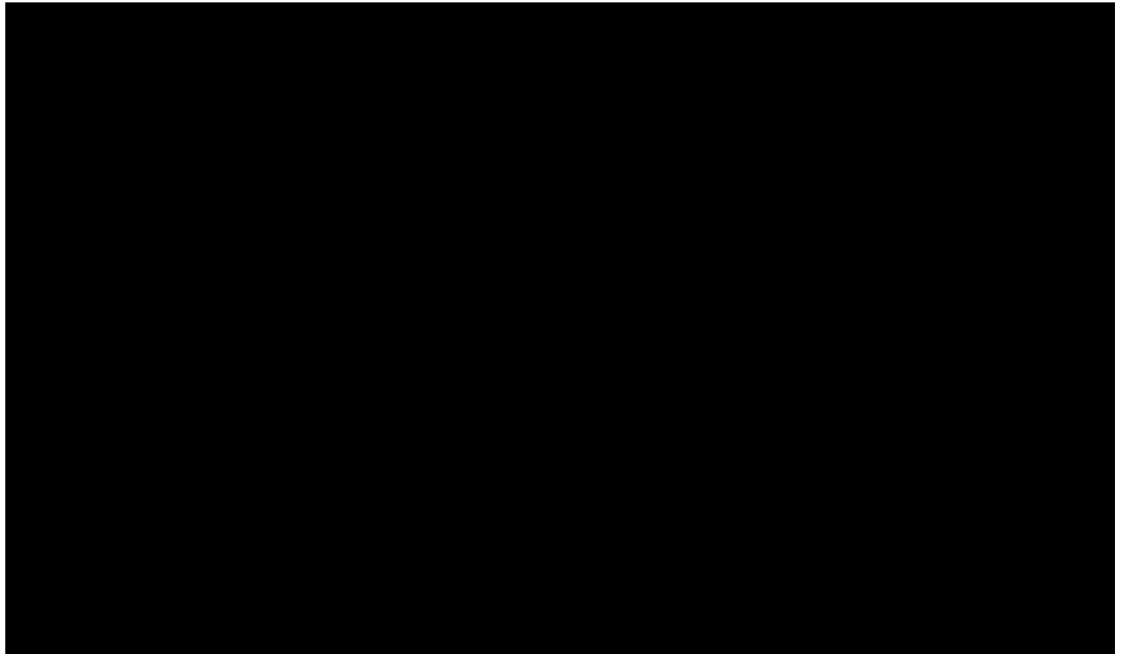
25 August 1988

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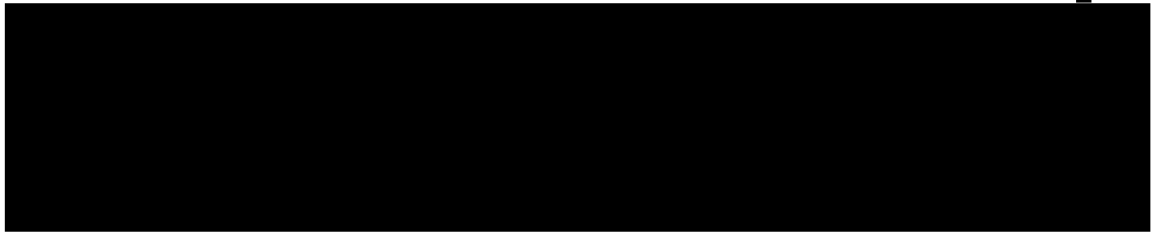
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**Special Analyses**

**Iran-Iraq: Prospects for Geneva Talks** ..... 10



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~~25 August 1988~~



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**Iranian and Iraqi Positions on Key Issues Involved in UN Resolution 598**

**Impartial Body To Assess Blame for the War:** Iran expects Iraq to be labeled the aggressor. Iraq will not accept sole responsibility for the conflict. Compromise might involve some criticism of Iraq for starting the war and criticism of Iran for continuing the conflict.

**Reparations:** Iran wants Iraq to pay reparations for war damage that Tehran claims totals several hundred billion dollars. Compromise might involve a reconstruction fund for both countries of \$20-40 billion provided by the Arab Gulf states.

**Sovereignty over Shatt al Arab:** Iran is calling for reaffirmation of the 1975 Algiers accord, which established the boundary at the thalweg—the center of the navigable channel. Iraq claims the Algiers accord is void and that the Iraqi border has reverted to the east shore of the Shatt. Iraq's position probably is a bargaining chip that Baghdad hopes to trade for guarantees on freedom of navigation in the Shatt, the Persian Gulf, and the Strait of Hormuz.

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20 August 1988

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## Special Analysis

IRAN-IRAQ:

### Prospects for Geneva Talks

*Iran and Iraq seem committed to full implementation of UN Resolution 598, but the negotiations that begin today in Geneva over a comprehensive peace are likely to be protracted and difficult. Both countries have sharply divergent views about the way the talks should proceed and the key issues involved. Iranian leaders who support the Resolution will be politically vulnerable if Tehran cannot claim that many of its key demands are met. The regime in Baghdad is more secure but is seeking a settlement that would help justify the costly war to its populace.*

Each side is trying to shape the agenda for talks in Geneva. Iraq is insisting on face-to-face negotiations with Iran on all substantive issues and will resist intervention by UN Secretary General Perez de Cuellar. The Iraqis distrust the Secretary General, whom they view as favoring Iran, and believe Iraq will gain greater concessions through direct talks.

Iran wants to limit direct talks with Iraq to a few issues to prevent Baghdad from holding implementation of the Resolution hostage to demands for a comprehensive settlement. Tehran is insisting the Secretary General set a timetable for implementing most provisions of 598—including troop withdrawals and the creation of committees to assess blame for the war and to consider reparations for damage—after consulting separately with each side.

### Iraqi Goals

Iraq will continue to press for a comprehensive peace settlement that is guaranteed by the UN Security Council and that goes beyond the specific provisions of the Resolution, including assurances of Iranian nonaggression and noninterference in Iraqi internal affairs. Iran's agreement to direct talks has not reduced Iraqi suspicions that Tehran still wants to oust the Ba'thist regime in Baghdad, either militarily or through subversion.

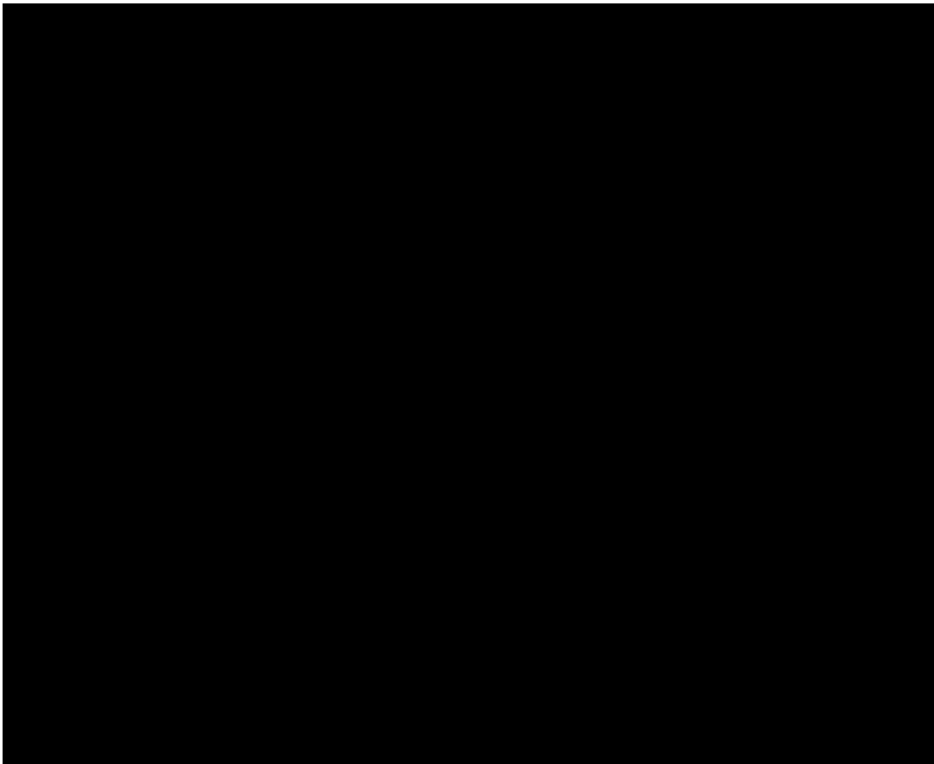
The Iraqis are particularly concerned that superpower courting of Iran will lead to a watered-down peace settlement. These concerns are reflected in Iraqi media warnings to the superpowers and other countries not to conspire with Iran to undermine Iraq.

Baghdad will seek a broad UN-sanctioned agreement that reduces its strategic vulnerability by guaranteeing freedom of navigation in the Shatt al Arab, the Persian Gulf, and the Strait of Hormuz. Although oil pipelines through Turkey and Saudi Arabia have offset Iraq's loss of

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25 August 1988

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Gulf export routes. Syria's closure of Iraq's oil pipeline in 1982 underscored the vulnerability of Iraqi reliance on pipelines. Iraq has dispatched three ships through the Strait of Hormuz since the cease-fire to emphasize its claim to freedom of navigation. [REDACTED]

#### **Iranian Stance**

Although Iran's desire for an end to the war is almost certainly genuine, Tehran is not as eager as Iraq for a formal peace settlement. Powerful radicals in Iran's leadership remain opposed to Iran's acceptance of the Resolution, which they regard as a betrayal of the revolution. Ayatollah Khomeini's endorsement of 598 prevents direct challenges for now, but Assembly Speaker Rafsanjani and his supporters will be vulnerable to attack for any agreement that appears to impose a peace settlement on Baghdad's terms or that recognizes too explicitly the legitimacy of the Ba'hist regime. [REDACTED]

Tehran is likely, therefore, to try to focus discussion in the first round of negotiations on specific provisions of 598 and to stall discussion of a comprehensive settlement. Iran wants provisions calling for an assessment of blame for the war and for war damage reparations. The regime in Tehran will continue to demand a statement explicitly labeling Iraq as the aggressor and to insist on substantial reparations to demonstrate to domestic opponents that Tehran can realize concrete gains from the Resolution and avoid making humiliating concessions to Baghdad. Iranian supporters of Resolution 598 have long portrayed the fulfillment of these demands as the only acceptable alternative to military victory over Iraq. [REDACTED]

#### **Outlook**

The two sides probably will agree eventually to compromise formulas on most key issues to provide a basis for maintaining the peace. Iraq might try to use its military advantage if the talks become deadlocked for several weeks and if Baghdad concludes that continued political pressure is futile. Even then, Baghdad probably would opt first for limited military action like air attacks. Iran's military weakness will make it much less likely to resume military operations, but Tehran might temporarily withdraw from the talks if Baghdad appeared to be trying to impose humiliating concessions. [REDACTED]

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25 August 1988